

**Apollo Tannery  
Site  
Re-development Workgroup:  
Report and Recommendations to  
Town of Camden Select Board  
With edits as approved at the Camden  
Annual Town Meeting  
June 10, 2008**

**Submitted by**

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Knox/Waldo Regional Economic Development Council**

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- a program of Eastern Maine Development Corp –**



# **Apollo Tannery Site Re-development Workgroup Report and Recommendations to Town of Camden Select Board**

## **Table of Contents**

Section	Page
1. Project Overview and Objectives	3
2. Description of Site and summary of Appraisal	4
3. Work Group recommendations	6
a. Guiding principals for sale/redevelopment .....	6
b. Acceptable/Unacceptable Business/Industry Sectors .....	7
c. Sale Option .....	8
d. “Land for Jobs” Rebate Incentive .....	9
e. Suggested draft language for Town Warrant .....	10
4. Marketing recommendations	10
5. Next Steps	12
Attachments:	
<ul style="list-style-type: none"><li>• 2005 - Tannery Site Reuse Committee Report - summary</li><li>• 2006 – Summit Environmental Consultants – site remediation recommendations</li><li>• Maps of the site (provided by Code Enforcement Office)</li><li>• B-R (River Business District) Zone Requirements – Permitted Uses</li><li>• Site Market Value Appraisal – 1/15/08 – Paton Agency, Inc.</li></ul>	

# **Apollo Tannery Site Re-development Workgroup Report and Recommendations to Town of Camden Select Board**

## **1. Project Overview and Objectives**

In August of 2007, Alan Hinsey, Director of the Knox/Waldo Regional Economic Development Council (KWRED) asked the Camden Select Board to authorize KWRED to take the lead on the marketing/redevelopment of the Apollo Tannery site. The objective was to create good, year round jobs for Camden. The Select Board accepted the proposal and formed the Apollo Tannery Redevelopment Work Group, that would be led and facilitated by Alan Hinsey. The work Group members appointed by the Select Board are as follows:

- Lani Temple
- Rosemary Weymouth
- Roger Moody
- Carla Ferguson
- Wendelanne Augunas
- Skip Bates
- Martin Cates
- Anita Brosius-Scott

Technical and administrative support for the Work Group was provided by Roberta Smith, Town Manager, Jeff Nims, Code Enforcement Officer, and Bill Kelley, Attorney for the Town of Camden

The objectives for the Apollo Tannery Redevelopment Work Group were to:

- Form a list of business/industry sectors that would be suitable for that site and for the economic development needs of Camden;
- Establish a target number of new jobs to be created – and a target salary/benefit level to be achieved on that site;
- Establish a list of conditions and requirements that are important for the development of that site (such as walk ways, public access issues, etc),
- Create a list of possible incentives for the businesses/firms that may be recruited for the site;
- Recommend a list of parties with which to coordinate the business recruitment/marketing efforts;
- Set a timeframe for the recruitment/marketing efforts; and
- Present the Work Group's recommendations to the Select Board

The Work Group held seven (7) meetings during the Oct 2007 – Feb 2008 period. The first meeting was held at the Camden Public Safety Building – the rest were all held in the Washington St. Select Board Conference Room. Alan Hinsey facilitated all of the

Work Group sessions. In these 7 meetings the Work Group undertook the following tasks:

- Review of previous reports, engineering studies, maps and zoning criteria and permitted use lists.
- Brainstorming of future uses for the site and establishment of guiding principles for future re-development of the site.
- Conduct extensive discussions regarding preferred redevelopment options and incentives for the site.
- Employ decision-making processes that resulted in a unified consensus from the Work Group members on all recommendations contained in this report.
- Discuss and approve the draft Warrant language included in this report to the Select Board.

Specific documents and reports used as reference materials by the Work Groups are as follows (all attached):

- 2005 - Tannery Site Reuse Committee Report - summary
- 2006 – Summit Environmental Consultants – site remediation recommendations
- Maps of the site (provided by Code Enforcement Office)
- B-R (River Business District) Zone Requirements – Permitted Uses
- Site Market Value Appraisal – 1/15/08 – Paton Agency, Inc.

## **2. Description of Site and Summary of Appraisal**

The former Apollo Tannery site is located in Camden Maine – bounded by Washington St on the east and north, the Megunticook River on the west and south, as well as Rawson Avenue on the southeast. The site is designated as Lot 18 on Camden Tax Map 114 and is approximately 3.5 acres in size.

The site is zoned as River Business (B-R) District. The B-R District is designed to “provide for the maintenance, development and redevelopment of lands and buildings in river-oriented locations that have historically been used for economic activity, or for which there is opportunity for such activity. It is intended that development and redevelopment proceed in a way that respects and maintains the environmental and scenic qualities of the river.”

The B-R Districting zoning allows for a mix of permitted uses including

- Resource uses
- Residential uses
- Municipal and Institutional uses
- Commercial uses
- Professional uses
- Industrial uses
- Utility uses
- and Accessory Activities

NOTE - See the specific permitted uses in the B-R District Zoning document attached.

The B-R District Zone allows for a building footprint of approximately 2.45 acres on that 3.5 acre site. The Zone allows for a 40 ft structure on that site (this would be a 4 to 5 story building depending on ceiling height of floors). It is estimated that the maximum allowable size of a building on this site could be approximate 107,000 s.f. The number of workers/occupants that could occupy buildings on that site would depend on the type of business/industrial use that takes place. Also, parking requirements in the B-R District differ depending on the usage of the site and buildings. Without specific usage and building plans, it is difficult to say exactly what the maximum total occupancy and parking could be on that site. However, we can say that for professional office space or industrial uses allowed in the B-R District, the former Apollo Tannery site could accommodate buildings that could be occupied by 300 workers, and still have enough space available to accommodate parking for that size workforce on the site.

The Town of Camden has taken ownership of the site. Because of the environmental hazards associated with the former use of the site, the Town of Camden has commissioned studies by the Maine DEP and the private consulting firm, Summit Environmental Consultants, Inc. As a result of those studies the Town of Camden has begun the process of remediation of the site and preparing it for future redevelopment/reuse. It is estimated that the Town of Camden will complete all remediation efforts in 2008. Between building removal, soil removal and site remediation, the Town will have invested approximately \$960,000 in the reclamation/remediation of this site.

The former Apollo Tannery site is also included in the State of Maine's "Pine Tree Zone" (PTZ) program. A set of State tax breaks, credits and reimbursement may be available to targeted businesses that start or expand and create qualified jobs on a PTZ site.

In January 2008 an appraisal of the Apollo Tannery site was conducted by Stanley P. Paton, SRM,CMA of the Paton Agency, Inc - Waldoboro Maine. The full appraisal document is available for review at the Camden Town Office. After extensive review of the property and analysis of the current market and comparable sales, the estimated Market Value of the property, as of January 15, 2008, was set at \$450,000.

### **3. Work Group Recommendation**

The Apollo Tannery Redevelopment Work Group recommends that the Camden Select Board ask the voters of Camden, via a special town vote, to give the Select Board the authority to market, negotiate and sell the Apollo Tannery Site. The Work Group believes that the best option for the sale and redevelopment of the site would be to:

- Complete the remediation of the site, in 2008, as planned (see Summit Environmental Consultant's 2006 report – "2.1.5 - Focused Soil Removal and Installation of a Slurry Wall");
- Market the site for sale to a targeted group of potential qualified developers, businesses who will create year-round jobs on that site that will add value to the overall economy of Camden;
- Sell the site at a reasonable, market-based price and include incentives to attract the best new owner, developer, business to that site, who will be dedicated to creating good, well-paying, year-round jobs in the industry/business sectors that are deemed acceptable to the neighborhood and the town.

To assist the Select Board in this process, the Work Group developed the following set of Guiding Principles, Acceptable/Unacceptable Business and Industry categories for the site, and Sale Options, including incentives.

#### **Guiding Principals for the Re-development/sale of the Apollo Tannery site:**

The Apollo Tannery Redevelopment Work Group recommends that the Select Board consider all of the following guiding principles if and when they sell the site for re-development purposes:

1. Sell the site as a single parcel
2. Preference will be given to qualified buyers who will allow some form of public access to the river walk/path area – at a minimum – a public right of way/easement access
3. The trees that line the street of the site should remain
4. The site should be marketed to new owners who can create jobs - well-paying, year- round, sustainable jobs
5. When targeting/selecting a new owner, the town should consider the economic "multiplier impact" of that new employer – how many other businesses, services, etc will be stimulated by that new employer re-developing the Tannery site
6. The town should target a new employer/owner that will create a new customer base in the area – not simply take customers from other established employers/businesses.
7. The town should attempt to create a demand for this site (make it unique) – so it doesn't compete with other sites/buildings that are already available in the area.

8. Encourage the new owners to build flexible structures that will be adaptable for future uses.
9. The re-development of the site should be attractive and aesthetically compatible with the neighborhood.
10. The town should encourage new owners/businesses in the Creative Economy sector.
11. The new owners/developers should be encouraged to make positive use of the river – hydro energy, orientation of buildings relative to the river, etc.
12. Educational/cultural use would be acceptable – with emphasis on educational/cultural uses that would create good year-round jobs and pay property taxes – however, a serious non-profit higher education or technical education provider should also be considered.
13. The town should consider the impact of increased traffic to the area. The group understands that increased traffic is likely to occur with re-development/ re-use of the site – but a traffic analysis should be conducted to consider:
  - i. The level of increased traffic
  - ii. The possible impact of truck traffic to the area
  - iii. Potential increased use of side streets in the area.

## **Acceptable/Unacceptable Business/Industry Sectors for the Tannery Site:**

The Work Group recommends that the current River Business District (B-R) zoning designation be maintained for the Tannery site. However, to accomplish the broader objective of encouraging the creation of well-paying, year-round jobs in business and industry sectors that will be compatible with the neighborhood and the overall economic goals of the Town, the Work Group recommends that a more selective use of the B-R zone be used by the Select Board for the best possible re-development of the site. To that end, the Work Group provides the following lists of business/industry sectors that are considered “Acceptable” for this site, and those that are considered “Unacceptable” for this site.

### ***Acceptable Business/Industries for Tannery site redevelopment:***

- + Bio-Tech/Life Sciences
- + Research and Development
- + Information Technology
- + Marine Trades/Boat Building
- + Financial Services
- + Graphic Design/Printing
- + Higher Education Institutions
- + Precision Manufacturing
- + Technical Services
- + Health Care
  - Health Care provider offices/clinics
  - Medical Labs
  - Medical/Life Science Research
- + Film/New Media

- + “Green” businesses
- + Professional Office space
- + Commercial/Trades Incubator space
- + Or any other business/industry sector that is within the B-R Zone criteria that is not listed below

***Unacceptable Business/Industries for Tannery site redevelopment:***

- Outdoor Boat Storage (as primary use)
- Poultry/Meat/Seafood processing
- Auto Repair
- Warehouse
- Hotel/motel
- Fast food
- Gas Station
- Storage and maintenance of construction equipment (as primary use)
- Any business that has a significant loud outside noise component
- Any business that imposes a hazardous or dangerous environment on the neighborhood

**Sale Option and “Land for Jobs” Rebate Incentive**

If the Select Board is given the authority to sell the Tannery site for redevelopment, the Work Group recommends the following sale option criteria be used by the Select Board to select a qualified buyer:

***Sale to Qualified Buyer:***

1. \$450,000 is the appraised value of the site as of January 15, 2008 (appraisal based on value of the site once all planned remediation is complete in 2008).
2. Market the property to qualified buyers at a reasonable fair market price – based on the most current appraisal of the site and all known real estate market variables that may impact a fair market price.
3. Qualified buyer must:
  - a. Use the land for development of an “acceptable” business/industry use (see list of acceptable business/industry sectors);
  - b. Present a viable business plan and financial statements – including a projection of the number and type of jobs that will be created at this site;
  - c. Demonstrate the financial capacity, experience, professional competency and commitment to purchase and appropriately develop the site.
4. Note – preference will be given to qualified buyers who plan to create year-round, full-time jobs in the acceptable business /industry sectors.



### ***“Land for Jobs” Rebate Incentive:***

Recognizing that encouraging businesses to create well-paying, year-round jobs in Maine is often difficult, the Work Group further recommends that the Town of Camden offer the following “Land for Jobs” rebate incentive to highly qualified buyers.

Qualified buyers, who provide a viable business plan supporting the creation of full-time, on-site jobs, may qualify for a rebate of all, or a portion, of the purchase price, based on the following criteria:

1. If the qualified buyer creates 24 net new jobs within 5 years of the completion of construction and improvements on the site, they may qualify for a full rebate of the original purchase price.
  - a. For each 8 new jobs created and continuously employed on the site for at least 6 months, the qualified buyer shall receive a rebate of 1/3 of the purchase price.
  - b. The cumulative total of rebates paid to the qualified buyer as a result of jobs created at the site shall not exceed the total purchase price of the property.
  - c. For a job to qualify toward the rebate formula, it must:
    - i. Represent a net new job on the site; and
    - ii. Pay a wage and benefit package that is at least equal to \$40,000 (which is approximately 25% higher than the Knox County average wage and benefit amount for 2007)
  - d. The “Land for Jobs” rebate incentive is only good for 5 years from the completion of construction and improvements on the site:
    - i. The balance of the rebate incentive of the “Land for Jobs” option will be transferable to a new qualified owner;
    - ii. The new owner would only qualify for the balance of the rebate that may be available – i.e. that portion that had not already been paid out;
    - iii. The original 5 year period shall not be extended for the new owner.

## **Suggested Warrant Article Language for Special Town Vote:**

With the assistance of Town Attorney, Bill Kelley, the Work Group recommends the following suggested language for a Warrant Article to go before a Special Town vote:

"To see if the Town will vote to authorize the Select Board to dispose of the "Apollo Tannery" property described in Book 3148 on Pages 278 and 280, and depicted as Lot #18 on the Town of Camden Tax Map 114, for reasonable fair market value as a single parcel, subject to the following:

1. The buyer must use the property for an "acceptable" use as described on the list of uses in the Report by the Apollo Tannery Redevelopment Work Group dated February 19, 2008, and the buyer may not use the premises for an "unacceptable" use as described on said list of uses;
2. The buyer must demonstrate financial capacity, professional competency to develop the site, and present a viable business plan;
3. As a "Land for Jobs" rebate incentive, if within 5 years, a qualified buyer creates 24 net new jobs with a combined yearly wage/benefit of \$40,000 per job, the entire purchase price shall be rebated to buyer, or the rebate may be prorated according to the terms and formula described in the Apollo Tannery Redevelopment Work Group Report dated February 19, 2008;
4. A restrictive covenant shall be placed into the deed of conveyance preserving the trees located by and along Washington Street;
5. The Select Board shall incorporate restrictions as are reasonably necessary in the deed of conveyance to enforce the conditions described in paragraphs 1 to 4 herein; and
6. The Select Board shall utilize as many of the "Guiding Principles" as described in the report of the Apollo Tannery Redevelopment Work Group dated February 19, 2008, as are reasonably practicable in the discretion of the Select Board, depending on the buyers development plan.

Note: Complete copies of the Apollo Tannery Redevelopment Work Group Report (dated February 19, 2008) are available for inspection at the Clerk's office during regular office hours."

## **5. Marketing recommendations**

If the Warrant Article passes at the special Town vote, the following strategy should be implemented by the Town Manager and Select Board to market and sell the Tannery site:

1. Select Board will set initial fair market price for the site.
2. Allow the Knox/Waldo Regional Economic Development Council (KWRED) to lead the marketing effort on the site for one year.
3. Reserve funds in a special account for the marketing of the Tannery site – set aside \$10,000 for this purpose – note – the marketing strategy for year one

will not rely heavily on paid advertising – however, a few materials will need to be prepared to market the site, such as photos, brochure, etc. It is anticipated that the marketing cost for year one will fall well below the \$10,000 reserve amount.

4. KWRED will work with the Town Manager to develop the marketing materials.
5. KWRED will launch the marketing campaign – focusing on free press and leveraging connections with existing agencies for year one.
6. Marketing should begin as soon as possible – to take advantage of upcoming summer/fall season.
7. Theme for campaign will be:  
“Town offers Free Land for Jobs – in one of the most desirable locations on the entire New England coastline – Camden, Maine – the Jewel of the Coast.”
8. Press Coverage:
  - i. Press releases – locally, statewide, regionally (including Boston media)
  - ii. Seek feature stories in:
    1. Courier Publications
    2. Village Soup
    3. Mainebiz
    4. PPH and BDN
    5. Boston and New York Papers
    6. Business and trade journal newsletters/publications
    7. Downeast Magazine
    8. Maine Boats, Homes and Harbors magazine (and website)
    9. Maine Public Radio
    10. Maine-based TV News
    11. possible national news coverage
9. Challenge other business attraction agencies/organizations to market this desirable site in Maine:
  1. Governor’s Office
  2. Maine & Company
  3. Maine Dept of Econ and Community Development
  4. Eastern Maine Development Corp
  5. Coastal Enterprises Inc
  6. Maine Technology Institute
  7. Tech Maine Association (formerly “MESDA”)
  8. Maine Small Business Development Centers
  9. Finance Authority of Maine
  10. USDA – Maine Rural Development Program
  11. Maine Small Enterprise Growth Fund (non-profit venture capital agency)
  12. other private and non-profit venture capital groups
10. Provide marketing materials and contact information to all appropriate groups and locations in the area:
  1. Chamber of Commerce offices
  2. Visitors Centers
  3. at Town Office

4. at conference sites (if allowed) – i.e., PopTech, Camden Conf, etc.
  5. at festivals/events throughout the year (Camden, Belfast Rockland area)
  6. at hotels and Inns that agree to make brochures available to guests (Samoset, Lord Camden Inn, etc, etc)
11. KWRED will be point of contact for inquires about te site.
  12. KWRED and the Eastern Maine Development Corp – Lending Division – will screen potential buyers to determine if they have a viable business plan and as such should be classified as a potential Qualified Buyer to be referred to the Select Board for consideration,
  13. The above strategy should be used for one year. If the property has not been sold to a qualified buyer, who will create well-paying jobs on that site, the Select Board should reassess the plan and make marketing decisions accordingly.

## **6. Next Steps**

If the Camden Select Board accepts the recommendations contained in this report, the Work Group suggests that the following next steps be taken:

1. Schedule a special town vote as soon as possible.
2. Make free copies Work Group report and recommendations available at the Town Office – and post the report on the Town website
3. Schedule at least one public information session prior to the special Town vote
  - a. Alan Hinsey of KWRED and members of the Apollo Tannery Redevelopment Work Group will be available at the information session(s) to present the recommendations and answer questions.
4. Hold the special Town vote on the Warrant Article.
5. If the measure passes at the special Town vote, the Select Board and Town Manger should immediately begin working with KWRED to implement the marketing recommendations contained in this report.

NOTE – regardless of the decision on the Warrant article at a special Town Vote, the Town of Camden should continue with its plans to complete remediation of the Apollo Tannery site in 2008.